

## **New Orleans Traffic Court Forensic Accounting Engagement**

**Report of LaPorte, CPAs and Business Advisors  
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**May 11, 2012**

## Executive Summary

**LaPorte** was asked to analyze tickets and receipts of the New Orleans Traffic Court (“Traffic Court”) for the months of February and June, 2011 to determine amounts owed to the **Indigent Defender Fund** (“ID Fund”). We analyzed **8,483 tickets** and/or receipts for **February 2011** and **6,245 tickets** and/or receipts for **June 2011**.<sup>1</sup> We eliminated duplicate tickets, resulting in **8,244 tickets** reviewed for **February 2011** and **6,114 tickets** reviewed for **June 2011**.

February 2011: We found 8,244 tickets<sup>2</sup> had payments totaling \$1,396,576, but \$276,898 of this amount was for tickets with prior month payments that should have covered amounts owed to the ID Fund. 6,351 tickets had February 2011 payments totaling \$1,119,678 with potential amounts owed to the ID Fund, but only **4,385** of these tickets had amounts allocated to the ID Fund. Therefore, only 69 percent of the tickets with potential payments to the ID Fund in February 2011 tickets had amounts allocated to the ID Fund. The other 1,966 tickets had no amounts allocated to the ID Fund for February 2011. February 2011 tickets had 1.29 average violations per ticket. We found the amount owed to the ID Fund on the **4,385** tickets with February 2011 payments totals **\$198,192**, but only \$160,539 was paid to the ID Fund for February 2011.

June 2011: We found 6,114 tickets<sup>3</sup> had payments totaling \$926,562, but \$189,563 of this amount was for tickets with prior month payments that should have covered amounts owed to the ID Fund. 4,575 tickets had June 2011 payments totaling \$736,999 with potential amounts owed to the ID Fund, but only **3,308** of these tickets had amounts allocated to the ID Fund. Therefore, only 72 percent of the tickets with potential payments to the ID Fund in June 2011 had amounts allocated to the ID Fund. The other 1,267 tickets had no amounts allocated to the ID Fund for June 2011. June 2011 tickets had 1.25 average violations per ticket. We found the amount owed to the ID Fund on the **3,308** tickets with June 2011 payments totals **\$144,180**, but only \$98,464 was paid to the ID Fund for June 2011.

The following table summarizes our findings of February and June 2011 tickets with potential amounts owed to the ID Fund:

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<sup>1</sup> We saw only ticket receipts with no original ticket attached when a ticket had a partial payment in a prior month.

<sup>2</sup> We found receipts with tickets for 5,141 of the 8,244 tickets. The remaining 3,103 tickets were supported only by the receipt.

<sup>3</sup> We found receipts with tickets for 3,968 of the 6,114 tickets. The remaining 2,146 tickets were supported only by the receipt.

	February Tickets	February Amts Rec'd	June Tickets	June Amts Rec'd
<b>Tickets Analyzed</b>	8,483		6,245	
less: Duplicate tickets	(239)		(131)	
<b>Tickets for month</b>	8,244	\$ 1,396,576	6,114	\$ 926,562
Tickets with no payments in month	66		95	
Tickets with prior month payments covering amounts owed to ID Fund	1,827	\$ 276,898	1,444	\$ 189,563
Tickets with payments in month	6,351	\$ 1,119,678	4,575	\$ 736,999
<b>Tickets for month</b>	8,244		6,114	

We found that tickets with no payments allocated to the ID Fund had:

- (1) amounts allocated only to contempt fees (which were credited to the Traffic Court Judicial Expense Fund ("JEF"),
- (2) amounts designated for the JEF in full,
- (3) seatbelt violations only,
- (4) or should have had payments allocated to the ID Fund.<sup>4</sup>

Monthly totals shown on the Traffic Court SunGard Software Case Management System ("SunGard") do not agree with our findings. There are discrepancies in:

- (1) the amount collected for tickets with payments for the month,
- (2) the amount collected for tickets with payments to ID Fund for the month,
- (3) the amount owed to the ID fund for the month,
- (4) and the amount paid to the ID fund for the month.

We calculated that the ID Fund is owed **an additional \$37,653 for February 2011** and **an additional \$45,716 for June 2011** over what it received.<sup>5</sup>

	Feb-11	Jun-11
LaPorte calculation of amounts owed to ID Fund	\$ 198,192	\$ 144,180
Amounts ID Fund received from Traffic Court	\$ (160,539)	\$ (98,464)
LaPorte calculation of additional due to ID Fund	\$ 37,653	\$ 45,716

<sup>4</sup> These tickets were not allocated to contempt, not designated for the JEF, and not for seatbelt violations only, however, no amount was allocated to the ID Fund. We found no reason why these tickets did not have amounts allocated to the ID Fund.

<sup>5</sup> This amount would be slightly lower if contempt fees and court costs (on tickets with more than one violation) should be paid before the amounts owed to the ID Fund.

<sup>6</sup> There are discrepancies between the amounts the ID Fund received from Traffic Court and the amounts the Traffic Court SunGard reports show are owed to the ID Fund for February and June, 2011. The February and June 2011 SunGard reports are provided in Exhibits One and Two.

(See Footnote 6 for discussion of discrepancies between amounts received by the ID Fund from Traffic Court and amounts the Traffic Court SunGard computer software system shows are owed to the ID Fund.)

If amounts had been allocated to the ID Fund on all tickets with payments in February and June 2011<sup>7</sup>, a greater amount would be owed to the ID Fund. We found that Traffic Court fines that are allocated in full to the JEF, contempt, or seatbelt (with no other violations) provide no amount to the ID Fund. Furthermore, we identified 64 additional February and 43 additional June 2011 tickets with no amounts allocated to the ID Fund (and were not allocated to JEF, were not contempt and were not seatbelt). We assumed these tickets also should have amounts allocated to the ID Fund. We determined that 1,966 tickets in February and 1,267 tickets in June 2011 represent tickets with potential additional revenue for the ID Fund.

Based on 1.29 average violations per February 2011 ticket and 1.25 average violations per June 2011 ticket, we estimated potential additional amounts which would be owed to the ID Fund:

	Feb-11	Jun-11
Tickets to JEF in full	143	42
Tickets to contempt	997	396
Tickets for seatbelt only	762	786
Other tickets	64	43
Tickets with no amounts allocated to ID Fund	1,966	1,267
Average violations per ticket	1.29	1.25
Total violations	2,536	1,584
Amount to ID Fund	\$ 35	\$ 35
Potential additional revenue for ID fund	\$ 88,765	\$ 55,431

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	Feb-11	Jun-11
Amounts ID Fund received from Traffic Court	\$ 160,539	\$ 98,464
SunGard report: Amounts due to ID Fund	\$ 159,770	\$ 108,415
Discrepancy	\$ 769	\$ (9,951)

<sup>7</sup> But excluding tickets with prior month payments which covered amounts owed to the ID fund.

We find the ID fund is owed an additional \$37,653 for February 2011 and \$45,716 for June 2011 for the 4,385 February and 3,308 June tickets. Furthermore, the ID Fund would be owed greater amounts if \$35 was assessed on every Traffic Court violation. The potential additional amount that would be owed to the ID fund for the 1,966 February and 1,267 June tickets for which no amount was allocated to the ID Fund totals \$88,765 for February 2011 and \$55,431 for June 2011. The following table summarizes our findings:

		Feb-11	Jun-11
Laporte calculation of Traffic Court fines owed to ID Fund		\$ 198,192	\$ 144,180
Amounts paid by Traffic Court to ID Fund		\$ (160,539)	\$ (98,464)
Laporte calculation of additional owed to ID Fund		\$ 37,653	\$ 45,716
Potential additional to ID Fund if \$35 assessed on all violations		\$ 88,765	\$ 55,431
Total owed to ID Fund including potential additional amounts		\$ 126,418	\$ 101,147

## Traffic Court Response to our findings

A draft of our report was sent to Traffic Court on April 12, 2012, requesting any corrections and a written response by April 30, 2012. Judge Jones requested a meeting which was held on May 3, 2012 with the following Traffic Court representatives: Judge Jones, Judge Shea, Misty Hizer, Brenda Dingeman-Watzke and Heather Gillespie. At the meeting, Judge Jones presented Traffic Court's report dated May 2, 2012 showing that Traffic Court determined the ID Fund should have received additional payments totaling \$21,315 for February 2011. See Exhibit Three. Judge Jones advised that Traffic Court did not perform an analysis of June 2011 tickets.

We subsequently analyzed Traffic Court's supporting documentation and found 175 February 2011 tickets with \$5,520 in payments owed to the ID Fund were not included on their schedules. The revised Traffic Court amounts for February 2011 plus amounts due from the 175 additional tickets totals \$187,374.

Amount Traffic Court paid to OPD	\$ 160,539
Additional amounts Traffic Court found were due	\$ 21,315
175 tickets LaPorte scheduled that are not on Traffic Court spreadsheet	\$ 5,520
Subtotal	\$ 187,374
Amount Laporte shows owed	\$ 198,192
Difference	<u><u>\$ (10,818)</u></u>

During our subsequent analysis, we discussed the remaining difference of \$10,818 with Traffic Court personnel and discovered that if amounts were owed on a ticket for fines and contempt fees, Traffic Court allocated payments to contempt fees and court costs (when there was more than one violation)<sup>8</sup> before other amounts. If amounts should be allocated to contempt fees before other amounts, our calculation of amounts owed to the ID Fund for February 2011 would decrease \$8,726 (See Finding 4).

We also discovered during our subsequent analysis that the February and June 2011 tickets and receipts that were previously provided to us by Traffic Court included receipts with errors. Traffic Court personnel advised us that during the time period we analyzed, there was a Traffic Court cashier who corrected entries to the SunGard system after the receipt had been printed, but the corrected receipt was not included in the boxes of tickets we analyzed.<sup>9</sup>

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<sup>8</sup> The court cost allocation applies only to tickets with more than one violation; therefore, should result in an immaterial difference.

<sup>9</sup> Traffic Court personnel explained that this cashier would receive payment and print the receipt before making adjustments in the SunGard system for the disposition of the payment. Later that same day, he would make the proper adjustments in the SunGard system, but a corrected receipt was not attached to the original receipt. It is our understanding this employee is still employed by Traffic Court, but is no longer a cashier.

## Documents Considered

We were provided with boxes by Traffic Court containing receipts with supporting tickets as well as receipts with no supporting tickets.<sup>10</sup> Traffic Court personnel represented that each of these tickets included a full or partial payment during February and June, 2011. We analyzed 8,483 tickets for February 2011 and 6,245 tickets for June 2011.

## Background Understanding and Methodology

Traffic tickets may be paid on-line, by mail, by telephone, by Western Union, or in person. To contest a ticket, a defendant must request a trial date on or before the arraignment date. A late fee of \$100 is assessed for failure to appear on the arraignment date, or if a trial date is requested after the arraignment date (contempt).

Ticket receipts show the fine, amounts suspended and additional charges, which equals the **Total Due** on the ticket. Ticket receipts also show the **Total Paid**, indicating amounts paid to date, and the **Amount Received** during the month in question. Ticket receipts include data indicating amounts owed to the ID Fund.

Traffic Court has four divisions served by the following judges:

Division A	Judge Cade (succeeded Judge Dannel)
Division B	Judge Jones
Division C	Judge Shea
Division D	Judge Sholes

SunGard Case Management System: Amounts owed and collected on Traffic Court tickets are input into Traffic Court's SunGard Case Management System ("SunGard") and receipts are issued from this system.

The following statutory fees apply to Traffic Court tickets:

- Indigent Defender: \$35 per violation
- CMIS: \$2 per violation
- Criminal Court: \$5 per violation
- Victims of Crime: \$7.50 per violation
- District Attorney: \$20 per violation
- Municipal Court: \$5 per violation
- Police Training: \$2 per violation
- Crimestoppers: \$2 per violation
- Head/Spinal Injury: \$5 or \$25 on Reckless Operation or DWI convictions
- Blood or Other Test: \$50 on DWI convictions

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<sup>10</sup> Traffic Court personnel did not advise us that some of these receipts had errors until after they received our April 12, 2012 draft report.

Contested tickets:

- Traffic Court judges and/or prosecutors have discretion to modify charges on tickets.
- Traffic Court judges and/or prosecutors have discretion to adjust amounts due on tickets.
- Traffic Court judges and/ or prosecutors often allocate amounts due on tickets to contempt fees, which are then credited to the JEF.
- Traffic Court judges and/or prosecutors often direct amounts due on tickets to the JEF.

Amounts owed to ID Fund:

- Tickets with moving violations should allocate \$35 per violation to the ID Fund per La. R.S. 168.<sup>11</sup>
- Tickets with seat-belt violations result in no payment to the ID Fund.<sup>12</sup>
- Amounts allocated to JEF or contempt provide no amount to the ID Fund.

Each ticket contains a unique serial number, but because there is no reconciliation of pre-numbered tickets we could not verify that we received all the tickets for February and June, 2011.

Tickets are often not fully paid in one month; therefore, February and June 2011 tickets include tickets for which amounts may have been paid in earlier months.

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<sup>11</sup> La. R.S. 168(B)(1) provides “Every court of original criminal jurisdiction . . . shall remit the following special costs to the district indigent defender fund for the following violations, under state statute as well as under parish or municipal ordinance, except a parking violation. The sum of thirty-five dollars shall be assessed in cases in which a defendant is convicted after a trial, a plea of guilty or nolo contendere, or after forfeiting bond and shall be in addition to all other fines, costs, or forfeitures imposed.”

<sup>12</sup> We assumed tickets with charges of \$25 and multiples of \$25 (\$50, \$75, etc.) with no amount allocated to ID Fund were tickets for seatbelt violations.

## Procedures Performed

We sorted data using two scenarios to account for amounts paid in earlier months:

1. Scenario One: We assumed amounts owed to the ID Fund were paid prior to any other assessments or fees and fines on the ticket.

Example: The ticket shows that prior month payments total \$100 and \$35 is owed to the ID Fund. We assumed the ID Fund was paid in months prior to February or June because amounts paid prior to February or June exceeded \$35.

2. Scenario Two: We assumed contempt fees and court costs (after the first violation) were paid prior to amounts owed to the ID Fund.<sup>13</sup>

Example: The ticket shows that prior month payments total \$100. \$100 is owed for contempt fees and \$35 is owed to the ID Fund. We assumed the ID Fund was not paid in months prior to February or June because the total paid in prior months equals the amounts owed for contempt fees.

If a receipt showed that amounts paid in prior months exceeded amounts owed to

- (1) the ID Fund in Scenario One or
- (2) contempt fund/court costs in Scenario Two,

we excluded that ticket from further analysis regarding amounts due to the ID Fund for February or June 2011.

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<sup>13</sup> It is our understanding that amounts due to the ID Fund take priority over any other assessments on tickets; however Ms. Brenda Dingeman-Watzke with Traffic Court advised that contempt fees and court costs (on tickets with more than one violation) are satisfied prior to amounts due to the ID Fund.

**Finding 1. We could not verify that we received all Traffic Court tickets for February and June, 2011.**

Each ticket contains a unique serial number, but Traffic Court performs no reconciliation of pre-numbered tickets. Therefore, we could not verify that we received all the tickets for February and June, 2011.

We found that Traffic Court does not have a reliable system to capture the total number of tickets processed each month. Our research indicates that the SunGard system is capable of capturing this data if amounts and codes are properly inputted when ticket receipts are prepared.

**Finding 2. Traffic Court should not use two accounting systems to record its transactions.**

Traffic Court accumulates ticket data through its SunGard system when receipts are prepared; however, data is re-entered into its QuickBooks software for preparation of financial statements. Our research indicates that the SunGard system is capable of capturing the necessary data to determine amounts owed to all parties and to prepare Traffic Court financial statements.

**Finding 3. February 2011 tickets show an additional \$37,653 is owed to the ID Fund for that month (Scenario One).**

1. We received 8,483 tickets that Traffic Court represented included payments in February 2011.
2. We found 239 tickets were duplicates or had more than one payment in February. We excluded these tickets from our population, resulting in **8,244 tickets in our population for February 2011**. See Chart One.
3. We found 66 tickets for which no money was received in February 2011; therefore no amount should be allocated from these tickets to the ID Fund in February 2011.
4. We found 1,827 tickets which had payments in prior months that exceeded amounts owed to the ID Fund; therefore, no February payment should be allocated from these tickets to the ID Fund for February 2011.
  - \$276,898 was received on these 1,827 tickets.

5. We found the following **for the remaining 6,351 tickets:**

Total Due

- The total amount due was \$1,566,954, comprised of \$1,323,259 in fines, (\$26,454) suspended, and \$270,149 additional charges.

	<u>Total Due</u>
Tickets with violations and amounts allocated to ID Fund	\$ 1,390,256
Tickets with violations but no allocation to ID Fund	\$ 176,697
<b>Total Amount Due February 2011 (See Chart Two)</b>	<b>\$ 1,566,954</b>

Amount Received

- Traffic Court received \$1,119,678 in February 2011 associated with these 6,351 tickets.

	<u>Amount Received</u>
Tickets with violations and amounts allocated to ID Fund	\$ 957,467
Tickets with violations but no allocation to ID Fund	\$ 162,211
<b>Total Amount Received February 2011 (See Chart Three)</b>	<b>\$ 1,119,678</b>

## February 2011 Summary

- **4,385 tickets included amounts that should have been paid to the ID Fund.**
- Traffic Court received \$957,467 in February 2011 for these 4,385 tickets.
- **The total that should have been paid to the ID Fund for February 2011 on these 4,385 tickets was \$198,192.**
- 143 tickets showing payments due of \$41,799 with amounts received of \$31,481 were directed in full to the JEF.
- 997 tickets showing payments due of \$80,370 with amounts received of \$80,360 were allocated to contempt fees.
- 762 tickets showing payments due of \$42,825 with amounts received of \$41,000 were for seatbelt violations only.<sup>14</sup>

<sup>14</sup> Many of the seatbelt violations resulted from adjustment of moving violation(s) to seatbelt violation(s) only; however, when the receipt did not include the original ticket, we could not determine if the seatbelt violation(s) was the original charge or if there had been adjustments from moving violation(s) to seatbelt violation(s).

- An additional 64 tickets showed statutory violations and should have had amounts paid to the ID Fund. These tickets showed payments due of \$11,703 with amounts received of \$9,370.

**Finding 4. If contempt fees should be paid before amounts are paid to the ID Fund, the additional amount owed to the ID Fund for February 2011 is \$28,927 instead of \$37,653 (Scenario Two).**

We sorted our data to calculate the amount owed to the ID fund for February 2011 assuming the contempt fee payments were made prior to payments to the ID Fund. Under this scenario, there were fewer tickets with February payments to the ID fund. We found that 4,360 tickets out of the total 8,244 February tickets should have had February payments to the ID fund. The amount owed to the ID fund under this scenario totaled \$189,466. The amount owed under Scenario Two less amounts paid to the ID Fund for February 2011 totals \$28,927.

**Finding 5. Tickets handled by Divisions A, B, C and D account for less than 50 percent of February 2011 amounts due and amounts received on tickets with payments in February 2011.**

We classified amounts due and received during February 2011 by Divisions A through D, Edify 99 (tickets issued under Traffic Court old software system), Internet, Telephone, and Violations Bureau as shown in the following schedule:

	# of Tickets	Total Due	Total Received	Owed to ID Fund from Amount Received
<b>Division A</b>	848	\$ 186,467	\$ 124,652	\$ 26,524
<b>Division B</b>	1449	\$ 229,126	\$ 186,533	\$ 24,431
<b>Division C</b>	569	\$ 145,923	\$ 81,814	\$ 12,606
<b>Division D</b>	584	\$ 160,232	\$ 94,880	\$ 14,756
<b>Edify 99</b>	75	\$ 23,245	\$ 17,606	\$ 3,120
<b>Internet</b>	597	\$ 128,450	\$ 127,750	\$ 23,065
<b>Telephone</b>	761	\$ 188,805	\$ 179,167	\$ 30,259
<b>Violations Bureau</b>	1468	\$ 504,706	\$ 307,275	\$ 63,431
<b>TOTALS</b>	6351	\$ 1,566,954	\$ 1,119,678	\$ 198,192
<b>Percentage by Divisions A-D</b>		<b>46%</b>	<b>44%</b>	<b>40%</b>

See Charts Four-A and Four-B. An analysis of February 2011 amounts received by Divisions A through D and other sources is provided in Schedule One.

**Finding 6. Division B has the highest amount suspended and the highest additional charges with the lowest amount due per ticket for tickets with payments in February 2011.**

	# of Tickets	Sum of Fine	Amts. Suspended	Additional Charges	Total Due	Amount due per ticket
Division A	848	\$ 162,338	\$ (382)	\$ 24,511	\$ 186,467	\$ 220
<b>Division B</b>	<b>1449</b>	<b>\$ 168,937</b>	<b>\$ (18,198)</b>	<b>\$ 78,387</b>	<b>\$ 229,126</b>	<b>\$ 158</b>
Division C	569	\$ 122,679	\$ (506)	\$ 23,750	\$ 145,923	\$ 256
Division D	584	\$ 136,339	\$ (5,818)	\$ 29,711	\$ 160,232	\$ 274
Edify 99	75	\$ 19,245	\$ -	\$ 4,000	\$ 23,245	\$ 310
Internet	597	\$ 122,250	\$ -	\$ 6,200	\$ 128,450	\$ 215
Telephone	761	\$ 167,305	\$ (300)	\$ 21,800	\$ 188,805	\$ 248
Violations Bureau	1468	\$ 424,166	\$ (1,250)	\$ 81,790	\$ 504,706	\$ 344
<b>TOTALS</b>	<b>6351</b>	<b>\$ 1,323,258</b>	<b>\$ (26,454)</b>	<b>\$ 270,149</b>	<b>\$ 1,566,954</b>	
Percentage by Divisions A-D		45%	94%	58%		

**Finding 7. June 2011 tickets show an additional \$45,716 is owed to the ID Fund for June 2011 (Scenario One).**

1. We received 6,245 tickets that Traffic Court represented included payments in June 2011.
2. We found 131 tickets were duplicates or had more than one payment in June. We excluded these tickets from our population, resulting in **6,114 tickets in our population for June 2011**. See Chart Five.
3. We found 95 tickets for which no money was received during June 2011; therefore, no amount should be allocated from these tickets to the ID Fund in June 2011.
4. We found 1,444 tickets had payments in prior months that exceeded amounts owed to the ID Fund; therefore, no June payment should be allocated to the ID Fund for June 2011.
  - \$189,563 was received on these 1,444 tickets.
5. We found the following **for the remaining 4,575 tickets**:

Total Due

- The total amount due was \$1,073,365, comprised of \$940,458 in fines, (\$9,596) suspended, and \$142,503 additional charges.

	<u>Total Due</u>
Tickets with violations and amounts allocated to ID Fund	\$ 976,845
Tickets with violations but no allocation to ID Fund	\$ 96,520
<b>Total Amount Due June 2011 (See Chart Six)</b>	<b>\$ 1,073,365</b>

### Amount Received

- Traffic Court received \$736,999 in June 2011 on these 4,575 tickets.

	<u>Amount Received</u>
Tickets with violations and amounts allocated to ID Fund	\$ 649,878
Tickets with violations but no allocation to ID Fund	\$ 87,121
<b>Total Collections June 2011 (See Chart Seven)</b>	<b>\$ 736,999</b>

### June 2011 Summary

- **3,308 tickets included amounts that should have been paid to the ID Fund.**
- Traffic Court received \$649,878 in June 2011 for these 3,308 tickets.
- **The total that should have been paid to the ID Fund for June 2011 on these 3,308 tickets was \$144,180.**
- 42 tickets showing payments due of \$15,773 with amounts received of \$12,075 were directed in full to the JEF.
- 396 tickets showing payments due of \$35,536 with amounts received of \$35,456 were allocated to contempt fees.
- 786 tickets showing payments due of \$33,745 with amounts received of \$33,020 were for seatbelt violations only.
- An additional 43 tickets showed statutory violations and should have had amounts paid to the ID Fund. These tickets showed payments due of \$11,466 with amounts received of \$6,570.

**Finding 8. If contempt fees should be paid before amounts are paid to the ID Fund, the additional amount owed to the ID Fund for June 2011 is \$39,812 instead of \$45,716 (Scenario Two).**

We sorted our data to calculate the amount owed to the ID fund for June 2011 assuming the contempt fees were made prior to payments to the ID Fund. Under this scenario, there were fewer tickets with June payments to the ID fund. We found that 4,360 tickets out of the total 8,244 June tickets should have had June payments to the ID fund. The amount owed to the ID fund under this scenario totaled \$138,276. The amount owed under Scenario Two less amounts paid to the ID Fund for June 2011 totals \$39,812.

**Finding 9. Divisions A, B, C and D account for less than 50 percent of June 2011 amounts received on tickets with payments in June 2011.**

We classified amounts due and received on June 2011 tickets by Divisions A through D, Edify 99 (tickets issued under Traffic Court old system), Internet, Telephone, and Violations Bureau as shown in the following schedule:

	# of Tickets	Total Due	Total Received	Owed to ID Fund from Amount Received
Division A	685	\$ 144,917	\$ 89,971	\$ 21,204
Division B	760	\$ 139,938	\$ 103,523	\$ 16,485
Division C	417	\$ 126,940	\$ 75,491	\$ 13,435
Division D	460	\$ 125,345	\$ 63,131	\$ 12,374
Internet	538	\$ 101,873	\$ 101,573	\$ 18,445
Telephone	671	\$ 146,064	\$ 143,367	\$ 24,120
Violations Bureau	1044	\$ 288,288	\$ 159,943	\$ 38,117
<b>TOTALS</b>	<b>4575</b>	<b>\$ 1,073,365</b>	<b>\$ 736,999</b>	<b>\$ 144,180</b>
<b>Percentage by Divisions A-D</b>		<b>50%</b>	<b>45%</b>	<b>44%</b>

See Charts Eight-A and Eight-B.

An analysis of June 2011 amounts received by Divisions A through D and other sources is provided in Schedule One.

**Finding 10. Division D has the highest amount suspended and Division B has the highest additional charges with the lowest amount due per ticket and the 2<sup>nd</sup> highest amount suspended, for tickets with payments in June 2011.**

	# of Tickets	Sum of Fine	Amts. Suspended	Additional Charges	Total Due	Amount due per ticket
Division A	685	\$ 129,790	\$ (401)	\$ 15,528	\$ 144,917	\$ 212
Division B	760	\$ 111,916	\$ (3,378)	\$ 31,400	\$ 139,938	\$ 184
Division C	417	\$ 111,802	\$ (712)	\$ 15,850	\$ 126,940	\$ 304
Division D	460	\$ 113,095	\$ (4,400)	\$ 16,650	\$ 125,345	\$ 272
Internet	538	\$ 95,373	\$ -	\$ 6,500	\$ 101,873	\$ 189
Telephone	671	\$ 130,989	\$ (100)	\$ 15,175	\$ 146,064	\$ 218
Violations Bureau	1044	\$ 247,493	\$ (605)	\$ 41,400	\$ 288,288	\$ 276
<b>TOTALS</b>	<b>4575</b>	<b>\$ 940,458</b>	<b>\$ (9,596)</b>	<b>\$ 142,503</b>	<b>\$ 1,073,365</b>	
<b>Percentage by Divisions A-D</b>		<b>50%</b>	<b>93%</b>	<b>56%</b>		

**Finding 11: Eight (8) tickets for DWI Fines in February and June 2011 were allocated in full to JEF.**

DWI ticket numbers start with “S” and have six (6) digits<sup>15</sup>; therefore, we were able to sort DWI tickets in February and June 2011.

- We found 4 DWI tickets out of a total of 76 DWI tickets in February 2011 with the entire fine amount allocated to JEF. These 4 tickets had a total fine amount of \$4,838.50.
- We found 4 DWI tickets out of a total of 111 DWI tickets in June 2011 with the entire fine amount allocated to JEF. These 4 tickets had a total fine amount of \$5,000.00.
- Seven of these tickets were in Division B and one of the tickets was in Division C.

**Finding 12. The amounts calculated by LaPorte differ from those reflected on both Traffic Court monthly SunGard summary sheets and Traffic Court’s QuickBooks records.**

The SunGard summary sheet shows the financial activity of the Traffic Court for the months of February and June, 2011 (See Exhibits One and Two). The sheet is organized into three sections that provide data regarding Traffic Court receipts and disbursements.

- The first section shows the total amount of receipts for the month organized by the mode of payment (money order, check, cash or credit card).
- The second section provides the codes to which the cashier posted the amounts upon receipt (speeding, seatbelt, reckless operation, DWI, expungement, contempt, regular city charge, regular state charge, JEF, etc.). We noted that many of the codes were entered erroneously because they had been used with the previous case management system software but were improper codes for SunGard.<sup>16</sup>
- The sum of the amounts in the first two columns was the same and should represent the amounts received by traffic court during the month.
  - The ledger shows totals of \$1,497,127.76 for February 2011 and \$892,162.65 for June 2011.
  - Our analysis of the tickets showed \$1,396,576 was collected in February 2011 and \$926,562 in June 2011.
  - See Chart Nine illustrating this discrepancy.
- The “Totals by Financial Code” in the second section shows disbursements from Traffic Court for:
  - Statutory fees
  - Contempt fines
  - JEF
- The sum of amounts in the third section is less than the sums of the amounts in the first and second columns.

<sup>15</sup> Source: Brenda Dingeman-Watzke.

<sup>16</sup> Brenda Dingeman-Watzke confirmed that we should not rely on numbers in the first column of the second section because the system counts each time a payment is made on a ticket, thus overstating the amounts.

- \$1,490,327.76 for February and \$888,212.65 for June.
- The SunGard summary shows \$159,770 was disbursed to the ID Fund for February 2011 and \$108,415 for June 2011. The ID Fund received \$160,539 and \$98,464 for February and June 2011, respectively.
- Our analysis of the February tickets found \$198,192 should have been disbursed to the ID Fund for February 2011. ( $\$198,192 - \$160,539 = \$37,653$ )
- Our analysis of the June tickets found \$144,180 should have been disbursed to the ID Fund for June 2011. ( $\$144,180 - \$98,464 = \$45,716$ )
- A summary of the amounts owed to the ID Fund per Traffic Court QuickBooks and SunGard software, amounts paid to the ID Fund by Traffic Court for January through December, 2011 and LaPorte findings of amounts owed to the ID fund for February and June, 2011 follows:

	<b>Traffic Court Quickbooks: Owed to ID</b>	<b>Traffic Court SunGard: Owed to ID</b>	<b>Traffic Court payments received by ID</b>	<b>LaPorte findings: Owed to ID</b>
<b>Jan</b>	\$ 128,947	\$ 127,803	\$ 128,947	
<b>Feb</b>		\$ 159,770	\$ 160,539	\$ 198,192
<b>Mar</b>	\$ 294,105	\$ 136,270	\$ 133,566	
<b>Apr</b>		\$ 130,791	\$ 125,337	
<b>May</b>	\$ 128,739	\$ 119,870	\$ 118,691	
<b>Jun</b>	\$ 268,416	\$ 108,415	\$ 98,464	\$ 144,180
<b>Jul</b>	\$ 67,557	\$ 108,249	\$ 122,219	
<b>Aug</b>		\$ 114,612	\$ 115,034	
<b>Sep</b>	\$ 115,034	\$ 115,859	\$ 114,200	
<b>Oct</b>	\$ 114,200	\$ 107,910	\$ 108,557	
<b>Nov</b>	\$ 108,557	\$ 91,264	\$ 91,702	
<b>Dec</b>	\$ 179,839	\$ 87,041	\$ 88,137	
<b>Total</b>	<b>\$ 1,405,393</b>	<b>\$ 1,407,853</b>	<b>\$ 1,405,393</b>	

- We observed that adjustments are made to SunGard data after tickets have been entered into the SunGard system and receipts printed by cashiers. Upon inquiry, we learned that these adjustments are typically made so that the amounts in SunGard reconcile to the daily cashier reports. This practice allows for the SunGard data to be manipulated and may result in SunGard data not matching the printed receipts.

## SUMMARY

### 1. LaPorte findings of amounts owed to ID Fund for February and June, 2011:

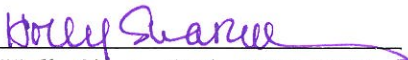
	February Tickets	February Amts Rec'd	June Tickets	June Amts Rec'd
<b>Tickets Analyzed</b>	8,483		6,245	
less Duplicate tickets	(239)		(131)	
<b>Tickets for month</b>	8,244	\$ 1,396,576	6,114	\$ 926,562
Tickets with no payments in month	66		95	
Tickets with prior month payments covering amounts owed to ID Fund	1,827	\$ 276,898	1,444	\$ 189,563
Tickets with payments in month	6,351	\$ 1,119,678	4,575	\$ 736,999
<b>Tickets for month</b>	8,244		6,114	
<b>Tickets with payments to ID Fund</b>	4,385	\$ 957,467	3,308	\$ 649,878
Tickets to JEF in full	143	\$ 31,481	42	\$ 12,075
Tickets to contempt.	997	\$ 80,360	396	\$ 35,456
Tickets for seatbelt only	762	\$ 41,000	786	\$ 33,020
Other tickets	64	\$ 9,370	43	\$ 6,570
<b>Tickets with payments in month</b>	6,351	\$ 1,119,678	4,575	\$ 736,999
<b>Amount owed ID Fund</b>				
Tickets with full payments in month	3,135	\$ 133,385	2305	\$ 95,155
Tickets with partial payments in month with:				
All of ID covered in month	1,097	\$ 50,844	889	\$ 38,621
Part of ID covered in month	153	\$ 13,963	114	\$ 10,404
<b>Total owed ID Fund for month</b>	4,385	\$ 198,192	3308	\$ 144,180
<b>Amount paid to ID Fund for month</b>		\$ (160,539)		\$ (98,464)
<b>Additional owed to ID Fund for month</b>		\$ 37,653		\$ 45,716
<b>Average # of violations at \$35 per violation</b>	5,663		4,119	
<b>Average violations per ticket</b>		1.29		1.25
<b>Potential additional amount owed to ID Fund</b>		Feb-11		Jun-11
Tickets to JEF in full		143		42
Tickets to contempt		997		396
Tickets for seatbelt only		762		786
Other tickets		64		43
<b>Tickets with no amounts allocated to ID Fund</b>		1,966		1,267
<b>Average violations per ticket</b>		1.29		1.25
<b>Total violations based on average per ticket</b>		2,536		1,584
<b>Amount to ID Fund</b>		\$ 35		\$ 35
<b>Potential additional amount to ID Fund</b>		\$ 88,765		\$ 55,431
<b>LaPorte calculation of total owed to ID Fund including potential additional amounts</b>		Feb-11 \$ 126,418		Jun-11 \$ 101,147

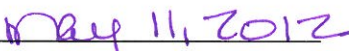
2. The Traffic Court accounting system does not produce accurate and reliable data. Their SunGard software is capable of producing reliable reports if data is properly inputted into the system. Traffic Court should not use QuickBooks software for its financial reporting. Recommended changes to the Traffic Court accounting system that should be implemented by Traffic Court are provided in Schedule Two.
3. An annual independent audit should be performed for all Traffic Court financial activity. Its audited financial statements for years 2009 and 2010 covered only the activity in its Judicial Expense Fund instead of all Traffic Court receipts and disbursements.
4. An internal control review and risk assessment of the Traffic Court systems should be performed by an independent auditor.

My curriculum vitae is provided in Appendix A. Appendix A, Exhibits One through Three, Schedules One and Two, and Charts One through Nine attached are a part of this report.

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I reserve the right to amend, modify or supplement this report based upon the receipt of new or additional information

  
Holly Sharp, CPA, CFE, CFF

  
Date